UIPL 28-93 Attachment

THE EMPLOYER COMPLIANCE PILOT

I. BACKGROUND

RQC will measure both the "external" and the "internal" quality of tax operations. The former is how accurately and completely subject employers provide both information (wage and contribution reports) and contributions due to the SESA without explicit SESA effort to obtain them. External quality thus involves two components: the accuracy of contributions reporting; and voluntary payment of taxes due. The main focus of "Employer Compliance" and of this pilot is the measurement of the accuracy of contributions reporting. This pilot will also, however, produce sample-based estimates of timely voluntary reporting, so they can be compared with similar measures obtained through automated reports data, and may produce information helpful to further study of the extent of employee leasing activity. In accordance with RQC's design, both components will be combined into a single overall measure of external quality.

Internal quality, refers to the timeliness, accuracy, and completeness with which the SESA handles the information and money it receives. Core RQC is assessing this aspect using a variety of methodologies. These assessments are function-specific, and no attempt will be made to combine them into a single, global quality measure.

This pilot project will test the feasibility of measuring the extent of Employer (contribution reports) Compliance by taking randomly-selected samples of employer accounts and auditing them according to ES manual standards. This is the closest RQC analogy to the methodology of Benefits QC. If it proves to be cost-effective, it will be included in the RQC program for nationwide application as the Employer Compliance (EC) Module.

All SESAs routinely conduct employer audits, for a variety of reasons: to meet the Audit Penetration DLA; to ensure equity among employers in subjecting all to some risk of an audit; to promote compliance by deterring misreporting; to secure revenues or "audit yield." They select audits in various ways to meet these objectives and such objectives are rarely served by selecting employers at random. To use field audits to estimate the overall extent of reporting compliance, however, or determine whether certain kinds of employers tend to be out of compliance and why, it is necessary to know the chances all audited employers had of being selected. This means selecting them either totally at random (all have an equal chance of selection) or in some systematic way so that their chances of selection are known. Even SESAs which select employers at random usually do not take the next step of analyzing the random results to make inferences about compliance rates. The EC module presumes both systematic selection of employers for audit and analysis of findings, and both will be pilot tested.

This pilot is not the first attempt to measure the accuracy of UI contributions reports. During 1988, the State of Illinois (IL), under the technical guidance of Burgess and Associates, conducted just such a test of compliance by its subject employers. The IL SESA drew a random sample of approximately 900 out of the 183,120 registered employers on its roll at the end of the third quarter of 1987, and audited their CY 1987 employment activity according to ES manual audit standards. On each firm selected for audit, a data record of 119 elements was compiled, 73 of them downloaded from IL's mainframe. Various measures of compliance were calculated: % of employees, and taxable and total wages underreported. By every measure, noncompliance was approximately 4–5%. Although this seems modest, it translated to unreported contributions due of approximately $50 million, and unreported taxable wages of $1.8 billion, for the year! This project is an attempt to build on and extend the Illinois findings as well as to develop information conducive to deciding whether RQC should require all States implement EC studies.

Burgess and Associates also took the additional step of estimating some statistical "employer profiles" from the audit data. These profiles identified groups of employers more and less likely than average to be out of compliance.

As part of the RQC design process, Abt Associates, Inc., the Department's technical contractor, produced a technical design for an employer compliance pilot. This design reflects the input of Abt's expert panel of SESA tax administrators. The Abt design is the technical basis for this pilot workpaper.

II. OBJECTIVES OF EMPLOYER COMPLIANCE MEASUREMENT

Both the Department of Labor and SESAs have an interest in knowing how accurately employers report the information on which their annual UI taxes are based. Their objectives in having this information differ slightly. Whether it is ultimately worth the effort to gather this information for all States, routinely as a part of RQC, is a question which the EC pilots are intended to help answer.

1. Department of Labor Objectives.DOL is concerned about reporting accuracy for the following reasons: (a) RQC has been given the task of measuring the extent of employer compliance with contributions reporting and payment requirements; (b) DOL is responsible for providing technical assistance, and to guide program improvements, in all areas of State agency operations, including reporting and payment compliance; and (c) DOL must determine the amount of resources to be allocated to the States for proper and efficient UI administration.

2. State Objectives. States should be concerned about the seriousness of reporting and payment noncompliance, and where and why such noncompliance occurs; the

effort to be directed to improving employer compliance is dictated both by the seriousness of the problem and the cost and likelihood of correcting it. There is also a question of how to target audit selection to achieve various audit objectives: equity, deterrence, achievement of yield; and the need for a standard against which to compare present methods of audit selections.

III. INFORMATION NEEDED TO MEET THE OBJECTIVES

1. Measures of overreporting and underreporting:total and taxable wages; contributions; employees, before and after audit.

2. Reasons for underreporting/overreporting or where discrepancies were detected:unidentified employees or wages; payments to contractors (1099 payments)

3. Information on cost of audits, by type:time to complete audits, wage or salary rate of the auditor.

4. Factors possibly relating to concentrations of reporting noncompliance:existence of blocked claims; number of claims charged; prior delinquencies; existence and number of prior past-due accounts; levels of independent contractor use; UI tax rate; labor turnover.

5. Characteristics of the employers audited:size (wages, number of employees); SIC code; geographical location; prior UI transactions history; age; number of establishments in the State.

6. Voluntary payment of contributions due:originally reported contributions due, by quarter; amounts paid timely, by quarter.

IV. OBJECTIVES OF THE PILOT ITSELF

The pilot effort, as distinguished from the EC effort, has the following main objectives.

1. Cost. What are the costs of selecting and conducting EC (random) audits, including opportunity costs (foregone yield), and how do these compare with the prospective benefits of the information gleaned from the EC estimation? Are there special costs associated with doing highly complex audits, and how do these compare with the yield from such audits? What will it cost to implement an EC Module as part of RQC; how many positions/other resources will DOL have to provide to SESAs?

2. Process Information. What are the requirements of auditing hard-to-audit employers such as large and/or highly computerized or out-of-State employers? What are the difficulties of integrating EC audits with a State's regular field audit program?

3. Targeting Data. Are there other sources of information which would be useful in targeting audits, such as blocked claims data, 1099 payments, employee turnover? If so, how effective are these in identifying noncompliance and how can States obtain them for audit selection programs?

4. Audit Tracking and Management. How can the EC program be effectively managed and tracked? What are the requirements of an ADP system for audit assignment, tracking, data gathering, and data transmission? How can the special requirements for quality assurance be met?

5. Statistical Guidance. What are best estimates of sample sizes needed for EC estimation? Are precision requirements being met? What are the best stratification criteria and sampling fractions within strata? Is an EC-oriented sample appropriate for estimating payment compliance?

6. Likely Benefits. What are the levels of noncompliance in the SESAs? How do these costs compare with the costs of doing systematic EC? What are the respective payoffs of actions to reduce noncompliance? Can effective targeting profiles be calculated from these findings?

7. Employee Leasing. Employee leasing employers take over nominal employment of workers and provide fringes and payroll services for them; their former employers then lease the workers back in return for a payment to the leasing company to cover wages, fringes, and a fee. Both States and the UI Service are concerned about the growth of such employers and are anxious to learn more about their size and extent of compliance with applicable payroll tax laws. This study will incorporate a few questions to help identify such employers, or their clients, or both, as the basis for followup study by DOL or States.

V. THE STRUCTURE OF THE PILOT

There will be five pilot States, chosen to reflect some of the nation's diversity. Each State will be asked to select, using a DOL-designed and programmed methodology, 1,600 employers from its roster of active liable employers as of a set date. A fixed (1-year's) experience will be audited according to ES Manual audit standards over a 12-month period; steps will be taken to ensure that the State's audit program can regularly produce

audits according to that standard of quality. Quality assurance procedures will be put into effect to ensure proper completion and coding of audit data. In addition, all States will be asked to track blocked claims (BC) and how they are disposed, and complete the same data record on those employers which end up being audited as a result of the BC lead as is being completed on randomly-selected employers. The States will also be asked to audit a sample of leads from an IRS 1099 tape. The same data record will be kept on all such audits, and as much as possible all will be audited according to the same high standards. All information will be entered into databases created for the participating States and then picked up by DOL or its evaluation contractor, who will use them to estimate critical impact measures. Statistical targeting profiles will be calculated from the randomly selected audits, and their yield implications will be compared with those of audits selected using BC leads and 1099 leads. In addition to providing the estimate of overall compliance, this design should provide the State with a wealth of information for future audit selection.

For this same sample of employers, the auditors, or central office staff using automated records, will note the amount of newly accrued contributions due for each quarter in the tax year audited which were paid voluntarily (i.e., without any overt SESA collections activity). The best proxy for this may be amounts paid timely, although amounts received without requiring any dunning notices would be preferable.

The major categories relating to the pilot's design and operation are discussed in more detail below.

1. Sample Selection and Sample Size: Random Component.The basic considerations in drawing the sample of employers to be audited are definition of the sampling frame, derivation of sample sizes, and application of the sampling methodology.

    a. The Sampling Frame. The pool of employers from which the sample will be drawn comprises all active liable employers on the State's master file as of a set date, with the following exceptions: (1) Employers with less than one full year's liability as of the audit selection date. This is to ensure that they have a full four quarters of liability for audit. (2) Employers who were already audited for the pilot's audit year. (3) Reimbursable employers, domestics, and national banks. (The expert panel felt comfortable with including large employers requiring computerized audits, and interstate employers.)

    b. Sample Selection Methodology and Sample Sizes.The necessary sample size depends on a number of factors. The most important of these are (1) the extent of variability in the impact measure(s) to be estimated and whether or not it is the same across all segments (strata) of the population; (2) the degree of precision desired; (3) the degree of confidence needed;

and (4) to a minor degree, the size of the population. In preparing its technical design Abt Associates studied Missouri's randomly selected field audits extensively to determine variances for various critical output measures: the fraction of employers in and out of compliance; dollar contributions underreported; and taxable wages underreported. Abt concluded that the amount of variability, and the implied best sampling strategy to produce the most precise estimations, is quite different depending on whether the object is to estimate the share of employers out of compliance or a dollar measure. The Illinois study used a sampling strategy (probability of selection proportionate to firm size) most efficient for estimating the fraction of employers out of compliance.

Because the primary interest in this project is to estimate the accuracy of reporting wages and contributions due—both of which are follow measures—Abt recommends a sampling strategy that divides the population into strata defined by tax rate and size (total wages reported). The sampling fraction within each stratum is selected using a so-called Neyman allocation method (probability of selection is nonproportional to firm size). The recommended sample size is 1,600 employers. For an average-size State (i.e., about 100,000 liable employers), this sample allows the main measures of interest to be estimated with a coefficient of variation of about 10 percent. (The coefficient of variation is the ratio of the estimated standard deviation to the estimated mean.) In practical terms, this means an estimate of the true rate of compliance, obtained with 95% confidence, has a "confidence band" of 2 sample standard deviations on either side of the estimated mean which is 20% of the mean. For example, Illinois estimated that about 5 percent of taxable wages was underreported. A 1,600-audit sample would allow us to say that we were 95% sure that the true rate of underreporting was between 4% and 6%.

In smaller populations, smaller samples will suffice, but the difference is very slight. For example, Abt's calculations show that for the smallest SESA (13,000 liable employers), the above degree of precision could be obtained with about 1,400 audits; a State with 300,000 or more requires a sample of about 1,615 audits. If more detail is desired, a technical appendix is available on request.

2. Audit Assignment: Random Audits.The list of randomly selected employers to be audited for EC purposes will be drawn off the State mainframe all at once. The State project supervisor will be responsible for ensuring that these audits are being completed rapidly enough to accomplish the desired number of audits within the pilot's one-year time frame. This will involve careful tracking of audit completions and designing methods to ensure that auditors who work in selected regions within the State are working against audit backlogs for their region. There will undoubtedly be some difficult decisions to be made to forego certain other

auditor activities, such as request audits, at certain times.

3. Audit Selection and Sample Sizes: Blocked Claim and 1099 Audits.Those States agreeing to implement the enhanced study design which includes audits of either BC or 1099 leads, or both, will have to work these into their audit program. The BC audits will simply involve tracking formally, and auditing according to ES Manual standards, audits they do now. The audit leads from the 1099 tape will have to be assigned similarly to random audits and "worked" at a fast enough rate to complete them in 12 months. Because of the high ratio of "hits" on these leads much smaller samples—on the order of 400 each—will suffice.

4. Audit Procedures. It is essential that audits be conducted thoroughly to ensure that estimates of reporting noncompliance, and any profiling calculations, contain as little nonsampling (measurement) error as possible. For the pilot, this will be ensured basically by first assessing the pilot States' audit programs using the RQC Field Audit Program Review.

   These procedures were pilot tested during 1991-2 and revised accordingly, so we expect to be confident of their validity. Shortly after selection the audit programs of the pilot States will be assessed using the new RQC methodology and the needed steps will be taken to ensure their readiness for the pilot. This will require full conformity with ES Manual Standards for audits.

   One aspect of the pilot design may present difficulty for many States: all employers selected for audit are to be audited, including large and/or highly computerized employers and out-of-state employers. The EC sample, if it is representative of all employers in the State, will undoubtedly include a certain number of such employers. Because of the difficulty of auditing such employers, many States bypass them in the audit selection process; others maintain special audit teams.

5. Data Record. The data record for this pilot will be based closely on that developed for the Illinois EC study conducted under the direction of Burgess & Associates. This record contained about 120 data elements, of which 73 were downloaded from the Illinois mainframe. Efforts will be made to eliminate all elements from that study which ultimately proved not to be useful. Included in the record will be a code to indicate how the audit was selected (random, BC, 1099, etc.) The data forwarded to the Department/Department's contractor will contain no identifiers enabling individual employers to be identified directly to ensure confidentiality of the data.

   A preliminary list of data needed for the pilot—summarized above in Section III—follows this paper. The pilot may include some more detailed cost data than

would be necessary for a continuing EC program.

6. State Selection. Five States will be selected for the pilot. Volunteers will be sought through a UIPL inviting participation. This UIPL will explain the main criteria for selection: (a) geographical diversity; (b) audit programs of such size that 1,600 random audits will not swamp the audit or field staff program [DOL will provide 3 audit positions for 3 years to help defray the costs of the pilot; it is estimated these will cover 2/3 to 3/4 of the audit effort]. (c) Sufficient variables in the State master file; (d) ADP sophistication to support the sample selection routine designed by Abt Associates; and (e) willingness to review its audit program using the RQC program review being pilot tested this year and willingness to make all changes indicated by the review to bring it up to RQC standards before commencing the audit. In view of this last criterion, having been a Core RQC pilot State would be an advantage.

7. ADP Support for the Pilot. The functions for this pilot that require or could benefit from automation are: (1) Select the sample of employers to be audited; (2) Extract from mainframe files the elements on each sampled firm's data record; (3) Store the data elements in the record on each audited firm (this may include downloaded elements); (4) Assist audit supervisors to assign EC audits, track their progress, etc.; and (5) Analyze the results.

   These are the decisions and considerations made so far regarding these functions.

   a. Sample Selection. Sample selection is planned as a mainframe operation. The model for this software is the COBOL program written to select the BQC sample. DOL contact staff will write the basic COBOL program for export to the pilot States, who will modify it as needed for their mainframes.

   b. Extraction of data elements needed for the EC data record will also be a mainframe operation. Again, the BQC DOL contract staff will write this program for pilot States to use or modify, or at least draft detailed specifications for State ADP staff.

   c. Pilot Database.Ultimately, all the data comprising the EC data record must find its way into a database. Although this database could be created by DOL or its evaluation contractor who will receive coding sheets from each pilot State, it appears preferable to have State staff enter the data into a database residing initially in the State. This database could either reside on the State mainframe, or on the SUN, or on a PC. Creation on the SUN machine would be the logical choice if it were certain that EC is to be implemented

nationwide. Since this is not the case, it is not clear that the developmental effort—to create the data base in INFORMIX—is worthwhile. There are several database packages available for PCs that could be used to develop the EC database with minimal effort. Alternatively, it could be done on the State mainframe. This should simplify transfer to the EC database of extracted elements. If a State were to enter the data centrally (instead of having auditors do it) a mainframe program might be a natural choice.

d. Managing the Pilot. An automated system for tracking audit assignment and the completion of the audits would be useful and helpful. Approximately 1,600 audits (up to 2,400 in the enhancement States) must be assigned and tracked over the course of a year. The difficulty of writing such software, and the machine that would be appropriate for this use (i.e., SUN or PC) is yet to be determined.

e. A technical support contractor will analyze the pilot data. This will involve both basic analysis of the results, and the construction of statistical profiles for audit selection. The first task is primary. Some States may have the expertise and interest to do their own analysis or develop audit selection profiles, but it is assumed that for the pilot the bulk of the work will be done by DOL and/or the technical support contractor.

8. Quality Assurance. The basic quality assurance is provided by the audit supervisors who must ensure that the audits are being conducted properly by the field auditors, and then review the completed audits to ensure their consistency and coding accuracy. However, their efforts will be supplemented by monitoring visits by NO and contractor staff. There will be at least two rounds of monitoring visits by DOL/IPA staff; it is not clear whether contractor staff will accompany them, or will conduct independent visits. The DOL staff will use a monitoring guide based on the RQC field audit review guide, supplemented with material relating to the conduct of the pilot itself—e.g., sample selection, completion rates, etc.

9. Data Analysis. The pilot effort is intended to lead to two types of analyses. The first is fairly straightforward estimation: extent of noncompliance, reasons for it, how it is detected, the costs of conducting audits or employers of various types, etc. The second is more technical and involves using the data to develop "noncompliance profiles" which can guide future audit selection. Both aspects will be necessary to evaluating the desirability of including the EC module in nationwide RQC.

a. Estimation of Reporting Noncompliance. As noted, pre- and post-audit information will be collected from the randomly selected employers in each State, with particular interest paid to three outcome measures: total wages reported; taxable wages reported; and total UI contributions reported as data. Changes in all variables due to audit will be computed as the measures of reporting noncompliance. These differences will be used both in absolute terms and percentages of the initially reported amounts. One of the primary purposes of the pilot will be to make inferences about the extent of such differences (both underreported and overreported) in each State's employer population as a whole and selected subportions of it. The fact that the audited employers will have been systematically and randomly selected makes it possible to estimate the true levels of underreporting and overreporting in the populations of interest. The results will make it possible to say, that, for example, 19 times out of 20 the true extent of underreported taxable wages, T, will fall within the boundaries of our sample mean, T', +/- twice the estimated standard error of that estimated mean. As noted above in (1), for most measures affected the population as a whole, the range will be about +/- 20% of the mean.

Findings such as this can be used to evaluate noncompliance relative to some action threshold. A State may decide that no action is warranted to increase compliance unless the fraction of underreported contributions due is above some preset threshold. This pilot will enable judgments to be made quite precisely about whether noncompliance is above some cutoff rate for action.

Also of interest is how expected yield of audits of particular types of employers relates to their cost. This pilot will collect the kind of information from which such determinations can be made. It will develop information on both audit yield and audit cost by type of employer.

b. Estimating Reporting Noncompliance Profiles.A more technically sophisticated use of these data is to construct "noncompliance profiles"—statistical pictures of the kinds of employers which are more likely than average to misreport employees, wages, or contributions due. This will involve various statistical models—e.g., least squares, probit, and tobit analysis—which relate certain firm characteristics to their likelihood of being out of compliance. In the Illinois study, the presence or levels of 1099

payments, blocked claims, number of establishments, and employee turnover best distinguished high-compliance from low-compliance groups of employers.

In the pilot, data from both the mainframe and the auditor can be used to develop profiles. To take the further step of translating such "profiles" into audit selection procedures requires that all the data be on the State's mainframe. If critical profiling variables are not regularly obtainable from centralized State files, the pilot may point the way toward useful additions to the State database.

In the enhancement States, direct comparisons will be possible between the results of random audits, the predicted results of statistically-profiled audits, and audits selected by BC and 1099 leads. The noncompliance/audit change rates for these different subgroups of audits will provide us and the States with a wide range of information for future audit selections.

c. Estimating Payment Noncompliance.This should be a straightforward matter of determining (1) the amount of contributions newly accrued during each quarter of the audited year and (2) the amounts paid without SESA recovery efforts—timely or before the recovery action deadline.

10. Design Process. The plan for the design follow that of similar DOL-State projects. DOL, assisted by its technical contractor, has designed the basic project to ensure that the design can technically accomplish its basic objectives. This planning/design paper is a concise statement of that design.

After States have been selected, they will be asked to identify pilot coordinators, who will assemble in Washington to review the design and suggest any refinements to the design, guide training materials design, and work out plans and schedules for assessment of audit staffs, conduct of training, development of sample selection programs, etc.

11. Training Issues. There are two potential parts to training. (a) The RQC audit assessment program review may show that auditors or audit procedures need improvement. This training will be provided by State and/or DOL/IPA staff. (b) All States will receive training as needed in the conduct of the pilot itself; protocols on audit completions, guidance for audit supervisors in managing this kind of a project, and completion of the data record on the completed audit, especially the definitions regarding completion of cost data elements.

12. Pilot Funding. It is assumed that most of the effort devoted to this project—that is, field auditor time—will involve diverting activity from regularly-selected to randomly-selected audits. Because, however, these audits may be more demanding and have less yield than the SESA's normal audits, DOL will provide 3 audit positions to pilot States and continue funding them over a 3-year period. Under the assumption that EC audits will require approximately 10–12 hours each to complete, the three positions will enable the State to recoup most of the cost of the pilot over a 3-year period. The positions will have a small allowance for travel to cover the extra costs of auditing out-of-State employers. The effort to audit employers selected through blocked claim followup or from 1099 tapes should involve formal tracking of audits that would normally be performed.

13. Schedules. pproval for this project under the Paperwork Reduction Act is being sought from the Office of Management and Budget. It is hoped that approval can be received and States selected by June 1993. Refinement of the design by State coordinators, training, etc., will follow in the next six to seven months, so that the pilot can start on October 1, 1993. It will run for 12 months. An interim, process-oriented status report is planned for mid-operation; this schedule presumes that a final report can be ready by Spring 1995.

EMPLOYER COMPLIANCE PILOT DATA ELEMENTS

Element	Source	Justification
Employer Acct #	Master File	Control Field
Employer Name*	M File/audit	Control Field
Doing Business as*	M File/audit	Control Field
Payroll Address/Reg*	M File/audit	Control Field
Auditor ID	Auditor	Agency An/Qual Assur
Auditor Grade	Auditor	Ben Cost Analysis
Date Audit Assigned	Auditor	Agency An/Qual Assur
Date Audit Completed	Auditor	Agency An/Qual Assur
Total Audit Hours	Auditor	Benefit Cost Analysis
Total Travel Hours	Auditor	Benefit Cost Analysis
Industry Code	M File/Audit	Impact, Profiling, Sample Sel.
Employee Leasing Company?	Auditor	Impact, Agency Analysis
Tax Rate	Master File	Impact, Profiling, Sample Sel.
Who Does Payroll	Auditor	Impact, Profiling
Computerization of Payroll Recs.	Auditor	Impact, Profiling, Ben Cost Anal.
Organization Type	M File/Audit	Impact, Profiling
Employer UI Tax Rate	Master File	Impact, Profiling, Selection
No. Claims, last 3 years	File Merge	Impact, Profiling
$ Amt Claims, last 3 years	File Merge	Impact, Profiling
How Selected for Audit	??/auditor	Impact, Profiling
Liability Date	Master File	Impact, Profiling
Number of Establishments	M File/Auditor	Impact, Profiling
Number of Estab., out-of-State	M File/Auditor	Impact, Profiling
No. Employees, Q1,Q2,Q3,Q4	Master/Wage File	Impact, Profiling
No. Leased 'ees, Q1,Q2,Q3,Q4	Auditor	Impact, Agency Analysis
No. Blocked Claims, last 2 years	??/auditor	Impact, Profiling
Tot. Wages Reported, Q1,Q2,Q3,Q4	Master File	Impact, Profiling
Tax Wages Reported, Q1,Q2,Q3,Q4	Master File	Impact, Profiling
New Contributions Due, Q1,Q2,Q3,Q4	Master File	Impact, Profiling
$ Paid voluntarily, Q1,Q2,Q3,Q4	M File/audit	Impact
Estimates Issued, Last 3 years	Master File	Impact, Profiling
# Quarters Delinquent, last 3 years	Master File	Impact, Profiling
Past Due Contributions, last 3 years	Master File	Impact, Profiling
Number Predecessors, last 4 years	Master File	Impact, Profiling
No. 1099s Issued, year audited	Auditor	Impact, Profiling
$ Amount, 1099s	Auditor	Impact, Profiling
No. 1099s Tested	Auditor	Impact, Profiling
No. 1099s Changed to Wage Pmts	Auditor	Impact Analysis
1099s $ Amount Charged	Auditor	Impact Analysis
1099s $ Amount Taxable	Auditor	Impact Analysis
Total Number of Emp'ees in year	M File/Auditor	Impact, Profiling

Impact Measures (All Derived from Audit Results)

Employees After Audit
No. Employees Unreported (non1099)
No. Employees Overreported
Total Wages after Audit, Q1,Q2,Q3,Q4
Total Wages Underreported, Q1,Q2,Q3,Q4
Total Wages Overreported, Q1,Q2,Q3,Q4
Taxable Wages After Audit, Q1,Q2,Q3,Q4
Taxable Wages Underreported, Q1,Q2,Q3,Q4
Taxable Wages Overreported, Q1,Q2,Q3,Q4
Additional Contributions Due, Q1,Q2,Q3,Q4
Total Wages Underreported, Q1,Q2,Q3,Q4
Percent of Newly Accrued Contributions Paid Voluntarily, Q1,Q2,Q3,Q4

Analytical Variables (Used Only When there is Audit Adjustment)

Primary Error Cause
Primary Detection Point
Secondary Error Cause(s) 1,2,3,4
Secondary Detection Point(s) 1,2,3,4

*If needed by State, not to be reported.